

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

ORDINANCE NO. 2024-24

**ORDINANCE AMENDING CHAPTER 270: “CANNABIS” OF THE BOROUGH’S REVISED
GENERAL ORDINANCES TO IMPLEMENT A MEDICAL CANNABIS TRANSFER TAX**

WHEREAS, the Borough of Red Bank (the “Borough”) permits, licenses, and regulates cannabis businesses under its authority pursuant to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (the “Act”); and

WHEREAS the Borough now seeks to enact a medical cannabis transfer tax in accordance with the Act;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Red Bank, County of Monmouth, State of New Jersey, that Chapter 270: “Cannabis” of the Borough’s Revised General Ordinances is amended as follows (~~stricken~~ text deleted; underlined text added):

CHAPTER 270: “CANNABIS”

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§ 270-4 Local Cannabis Transfer Tax and User Tax.

A. Local Cannabis Transfer Tax.

- (1) The Borough of Red Bank hereby adopts and imposes a Local Cannabis Transfer Tax on the sale of any cannabis or cannabis items by any cannabis business within the Borough, which Local Cannabis Transfer Tax shall be imposed upon all:
 - (a) Receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator;
 - (b) Receipts from the sale of cannabis items from one cannabis business to another cannabis business;
 - (c) Receipts from the retail sales of cannabis items by a cannabis retailer to retail consumers who are 21 years of age or older; and
 - (d) Any combination of any of the above-listed transfers.
- (2) The Local Cannabis Transfer Tax established pursuant to subsection (A)(1) hereinabove shall be charged at the following rates upon cannabis businesses within the Borough:
 - (a) Two-percent (2%) of the receipts from each sale by a Cannabis Cultivator;

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- (b) Two-percent (2%) of the receipts from each sale by a Cannabis Manufacturer;
- (c) One-percent (1%) of the receipts from each sale by a Cannabis Wholesaler; and
- (d) Two-percent (2%) of the receipts from each sale by a Cannabis Retailer.

B. Local Cannabis User Tax.

- (1) The Borough of Red Bank hereby adopts and imposes a Local Cannabis User Tax, at the same and equivalent rates as established for the Local Cannabis Transfer Tax rates set forth in subsection (A)(2) hereinabove.
- (2) The Local Cannabis User Tax shall be imposed upon any concurrent license holder operating more than one cannabis business, and shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the Local Cannabis Transfer Tax imposed pursuant to subsection (A) hereinabove, from the license holder's business that is located in the Borough to any of the other license holder's businesses, whether located in the Borough or in another municipality.

C. Medical Cannabis Transfer Tax.

- (1) A tax is hereby imposed upon any medical cannabis dispensed by an Alternative Treatment Center medical dispensary, including medical cannabis that is furnished by the dispensary to a medical cannabis handler for delivery to a registered qualifying patient or the patient's caregiver.
- (2) The medical cannabis transfer tax shall be fixed at a uniform percentage rate of two-percent (2%) on all sales or transfers of cannabis products from a medical cannabis dispensary.
- (3) The medical cannabis transfer tax shall be in addition to any other tax or fee imposed pursuant to statute, state and federal or local ordinance or resolution by any government entity upon a medical cannabis dispensary.

D. Other Local Cannabis Tax Regulations.

- (1) The Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax imposed pursuant to this section shall be in addition to any other tax imposed by law.
- (2) The Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax shall be collected or paid, and remitted to the Borough by the cannabis business from the cannabis business purchasing or receiving the cannabis or cannabis item, or from the consumer at the point of sale, on behalf

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of the Borough by the cannabis retailer selling the cannabis item to that consumer.

- (3) The Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or equivalent value of the transfer, for the cannabis or cannabis item.
- (4) Every cannabis business required to collect the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax imposed by this section shall be personally liable for the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax imposed, collected, or required to be collected under this section. Any cannabis business shall have the same right with respect to collecting the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax from another cannabis business or the consumer as if the Local Cannabis Transfer Tax or User Tax or Medical Cannabis Transfer Tax was a part of the sale and payable at the same time, or with respect to non-payment of the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax by the cannabis business or consumer, as if the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax was a part of the purchase price of the cannabis or cannabis item, or equivalent value of the transfer of the cannabis or cannabis item, and payable at the same time; provided, however, that the Chief Financial Officer of the Borough shall be joined as a party in any action or proceeding brought to collect a Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax.
- (5) No cannabis business required to collect the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax pursuant to this section shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax will not be separately charged and stated to another cannabis business or the consumer, or that the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax will be refunded to the cannabis business or the consumer.
- (6) All revenues collected from the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax pursuant to this section shall be remitted to the Chief Financial Officer of the Borough. The Chief Financial Officer shall collect and administer the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax imposed by this section. The Borough shall enforce the payment of delinquent Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax in the same manner as provided for municipal real property taxes.
- (7) In the event that the Local Cannabis Transfer Tax and User Tax and Medical Cannabis Transfer Tax imposed by this section is not paid as and when due by a cannabis business, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the cannabis business

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in the same manner as all other unpaid municipal taxes, fees, or other charges. The lien shall be superior and paramount to the interest in the parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes, and shall be on a parity with and deemed equal to the municipal lien on the parcel for unpaid property taxes due and owing in the same year. In the event of a delinquency, the Chief Financial Officer shall file with the Tax Collector a statement showing the amount and due date of the unpaid balance and identifying the lot and block number of the parcel of real property that comprises the delinquent cannabis business. The lien shall be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

BE IT FURTHER ORDAINED that any ordinances or portions thereof which are inconsistent with the provisions of this Ordinance are hereby repealed as of the effective date of this Ordinance. All other provisions of the Revised General Ordinances are ratified and remain in full force and effect.

BE IT FURTHER ORDAINED that if any provision of this Ordinance or the application of such provision to any person or circumstance is declared invalid, such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect, and to this end, the provisions of this Ordinance are declared to be severable.

BE IT FURTHER ORDAINED that this Ordinance shall take effect immediately upon adoption and publication in accordance with the laws of the State of New Jersey.

INTRODUCTION						COUNCILMEMBER	FINAL ADOPTION					
Moved	Sec.	Aye	Nay	Abs.	NP		Moved	Sec.	Aye	Nay	Abs.	NP
		X				KRISTINA BONATAKIS		X	X			
	X	X				DAVID CASSIDY			X			
		X				NANCY FACEY-BLACKWOOD			X			
X		X				BEN FOREST			X			
		X				LAURA JANNONE			X			
		X				KATE TRIGGIANO	X		X			
		X				MAYOR WILLIAM PORTMAN			X			
Introduced: May 9, 2024			I hereby certify the above ordinance was adopted by the Borough Council of the Borough of Red Bank, County of Monmouth, State of New Jersey on the aforementioned date.									
Final Adoption: May 23, 2024			<i>Bonnie K. Thomas</i> Bonnie K. Thomas, Deputy Borough Clerk									